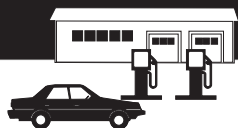


MOTOR FUELS UPDATE



DEPARTMENT OF REVENUE



Volume 10, Edition 1

Semiannually

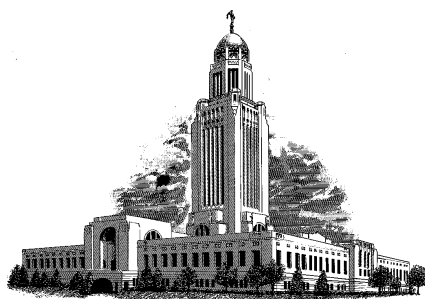
April 2000

2000 Legislation

Legislation enacted by the 2000 Legislature resulted in several changes to the Nebraska Motor Fuels Tax Laws.

EFFECTIVE JULY 1, 2000:

- ◆ **Exporters.** All applicants for a Nebraska Fuel Exporter's License will be required to post a surety bond during their first year of operation. The amount of the bond shall be set by the department. Currently, the minimum bond amount is \$10,000.
- ◆ **EDI.** The due date for both filing motor fuel tax returns and remitting the tax will be extended five days for those filers approved to file their returns electronically. Their new due date will be the 25th day of the month. Anyone currently filing



paper returns may avail themselves of this extended filing date by converting to electronic filing. Contact your Account Representative if you are interested.

- ◆ **Diversion Numbers.** It is a violation for any common or contract carrier to deliver fuel to a destination state other than the state indicated on the bill of lading, unless the diversion has been registered with the National Motor Fuel Diversion Registry and reported on their Nebraska Motor Fuels Carrier Report, Form 80. Beginning July 1, 2000, a

\$1,000 administrative penalty will be imposed for each failure to register the diversion.

- ◆ **Dyed Fuel Penalties.** The administrative penalties imposed for operating a licensed motor vehicle with dyed diesel fuel have been increased. While the initial violation penalty remains at \$250, subsequent penalties have increased substantially. A second violation within five years will result in a \$1,000 penalty, while any third and subsequent violations within five years will

I N S I D E

- Fuel Transport Diversion Numbers
- Accidental Fuel Mixing
- Incorrect Tax Data
- Racing Fuel
- Form 96 Reminder

2000 LEGISLATION (CONT.)

result in a \$2,500 penalty per violation. In addition, the definition of motor vehicle has been clarified to include those required to be registered (in-transit).

- ◆ **Corporate Officer Liabilities.** The current corporate officer or employee liability for payment of taxes, responsibility to file any reports or returns, or perform any other act imposed upon a corporation by the motor fuel tax laws has been extended to include administrative penalties resulting from willful failure to perform their duties.

EFFECTIVE JANUARY 1, 2001:

- ◆ **EFT.** The Tax Commissioner may require the use of electronic funds transfer (EFT) for payment of any taxes, fees, or other amounts required to be paid to or collected by the Tax Commissioner. This would apply to any taxpayer who made payments exceeding \$100,000 for a tax program in the prior year. For purposes of meeting the \$100,000 threshold, all motor fuel programs shall be considered as one program. Filers required to comply with

EFT will be notified at least three months prior to the effective date.

EFFECTIVE JANUARY 1, 2002:

- ◆ **EDI.** The Tax Commissioner has been given the authority to require any motor fuel licensees to file their returns or reports electronically. We will be working with the Motor Fuels Advisory Group to plan the phase-in to electronic filing. Filers required to file electronically will be notified at least six months prior to the effective date. In addition, the due date for all motor fuels tax returns and reports shall move to the 25th of each month following the close of the reporting tax period.

FUEL TRANSPORT DIVERSION NUMBERS

On July 1, 1999, we joined with the State of Wisconsin to use their telephone voice-response system for reporting interstate fuel diversions. This system is called the National Motor Fuels Diversion Registry.

If the destination state of the fuel is different than the destination state indicated on the bill of lading or manifest, a Diversion Registration Number must be obtained before delivery. To aid in obtaining the number, a Diversion Registration

Input Sheet should be completed prior to calling the toll-free number 1-888-367-1600.

Instructions and sample copies of the input sheet were mailed to all licensed fuel carriers in 1999. Effective July 1, 2000, deliveries of fuel in Nebraska with a bill of lading or manifest indicating some state other than Nebraska will subject the owner of the transport to an administrative penalty of \$1,000 unless a diversion number was obtained.

If you have any questions or need copies of the instructions or input sheet, please contact your Account Representative.

ACCIDENTAL MIXING OF FUELS

Occasionally, licensed filers contact us regarding the accidental mixing of fuels. Examples would be mixing dyed and undyed diesel or diesel with gasoline.

Contact your Account Representative as soon as possible to discuss both the correct reporting of the products that were mixed and how any refund of Nebraska motor fuels taxes should be requested.

INCORRECT TAX DATA

Accurate reporting of motor fuel transactions is necessary for the efficient tracking of the movement of motor fuel in Nebraska.

State statutes mandate that a computerized tracking system be utilized to track this fuel. As anyone who works with computers knows, it is imperative that the data being entered is accurate. While most data is being accurately reported, we still encounter a significant number of reporting errors and omissions. The most common examples include:

- ✓ incorrect or missing schedule or product codes,
- ✓ failure to report transactions in the correct tax period,
- ✓ incorrect or missing document numbers,
- ✓ incorrect gallons, and
- ✓ incorrect or omitted identification of a seller or purchaser.

The statutes further state that the filing of an incomplete report or return shall be the basis under which the department may suspend any licenses or permits. While we may sometimes agree this is an extreme result, it does emphasize the importance placed upon providing complete and accurate information.

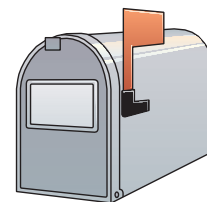
RACING FUEL

Leaded, high octane, automotive racing fuels are excluded from the definition of motor vehicle fuel, as it is illegal to use leaded fuels in motor vehicles registered for operation on the highways. Therefore, filers should not be reporting receipts or disbursements of this product. However, racing fuels imported in containers over 110 gallons are subject to Nebraska Petroleum Release Remedial Action Fee.



REMINDER — FLOOR STOCK TAX DUE

The floor stock tax on all tax-free diesel in inventory as of December 31, 1999, must be remitted no



later than July 1, 2000. The tax is remitted on the Nebraska Floor Stocks Tax Return, Form 96.

Forms were mailed last fall. If you misplaced yours and need a form, you may download it from the "Tax Returns" section of our Internet site or contact your Account Representative.

WHAT'S NEW?

The following Motor Fuels Revenue Rulings have been issued by the Nebraska Department of Revenue and are posted on our Internet site:

Revenue Ruling 81-00-1, Motor Vehicle Fuels Tax - Bond Requirements. The minimum surety bond required for motor vehicle fuels licensees is \$10,000.

Revenue Ruling 85-00-1, Aircraft Fuels Tax - Bond Requirements. The minimum surety bond required for aircraft fuels licensees is \$10,000.

Revenue Ruling 91-00-1, Diesel Fuel Tax - Bond Requirements. The minimum surety bond required for diesel fuel licensees is \$10,000.

C A L E N D A R

MONTHLY

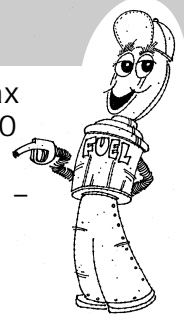
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| 20 | <p>Form 73, Nebraska Motor Fuels Tax Return (paper filers)</p> <p>Form 80, Nebraska Motor Fuels Carrier Report (paper filers)</p> <p>Form 82, Nebraska Petroleum Release Remedial Action Fee Return (paper filers)</p> <p>Form 85, Nebraska Aircraft Fuels Tax Return (paper filers)</p> <p>Form 86, Nebraska Compressed Fuel Retailer Return (paper filers)</p> |
| 25 | <p>Approved EDI Filers (Effective July 1, 2000)</p> |

Quarterly

- | | |
|----|---|
| 20 | <p>Form 74, Nebraska Motor Fuels Consumer's Use Tax Return (paper filers)</p> <p>Form 86, Nebraska Compressed Fuel Retailer Return (paper filers)</p> |
| 25 | <p>Approved EDI Filers (Effective July 1, 2000)</p> |

MOTOR FUELS TAX

The Nebraska Motor Fuels Tax for January 1 – June 30, 2000 is 23.9 cents per gallon. The rate for the period July 1 – December 31, 2000 will be released approximately June 15, 2000.



FOR MOTOR FUELS TAXPAYER ASSISTANCE

Call your account representative or toll free 1-800-554-FUEL (1-800-554-3835). Lincoln residents call 471-5730. For *TT (Text Telephone), dial 1-800-382-9309.



*Telecommunication Device for the Deaf (TDD) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.

OR CONTACT:

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P.O. Box 98904
Lincoln, NE 68509-8904

<http://www.nol.org/revenue/fuels/fuels.htm>

If you have received a duplicate mailing or would like to subscribe, please call 1-800-554-3835

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